

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
Room 220, Senate Building, Utah State Capitol Complex
January 12, 2010**

Members Present: Sen. Jon J. Greiner, Co-Chair
Rep. Eric K. Hutchings, Co-Chair
Pres. Michael G. Waddoups
Sen. Ben McAdams
Rep. Douglas C. Aagard
Rep. Richard A. Greenwood
Rep. Curtis Oda
Rep. Larry B. Wiley

Members Absent: Rep. Steven R. Mascaro
Rep. Jennifer M. Seelig

Staff Present: Steve Allred, Fiscal Analyst
Gary Syphus, Fiscal Analyst
Steve Jardine, Fiscal Analyst
Jennifer Eyring, Committee Secretary

Note: A list of visitors and a copy of handouts are filed with the committee minutes.

Sen. Greiner called the meeting to order at 9:20 a.m. and asked the committee and staff to introduce themselves.

Steve Allred, Fiscal Analyst, provided the committee a FY 2010 budget update, reviewing the challenges faced, the process used to address those challenges, and the specific tasks before the subcommittee. Budget challenges include \$445 million in current backfill funds ending, a current decrease in revenues, and an increase in demand for services. The predicted growth in the economy and the sunset of the Federal Capital Gains tax cut are expected to help revenues in FY 2011.

The role and work of the Executive Appropriations Committee was explained. The base budget for FY 2011 has been set with a 2% reduction, but the Subcommittees have been asked to create a list of potential reductions that would equal a 5% reduction. The Subcommittees have also been asked to recommend an additional 4% reduction for the remainder of FY 2010. The Executive Appropriations Committee wants the list to be in the form of lowest priority programs listed first. The target reductions for this committee are \$21,100,900 for FY 2010, and \$26,376,100 for FY 2011. The "2010 Compendium of Budget Information" can be accessed online for detailed budget information.

Gary Syphus, Fiscal Analyst, explained the spreadsheet that details the budget and reduction targets by Departments or programs. Questions from the committee were addressed with a further explanation of the 4% and 5% reduction targets.

Corrections

Tom Patterson, Executive Director, and Mike Haddon, Deputy Director, provided the committee with the "Budget Summary Information" handout, which reviews the previous reductions for FY 2010. Reductions included positions eliminated through retirement and a hiring freeze. The Department would like to proceed with the Parole Violator Center, stating that it would be a better use of resources. Two examples of cost savings included changing from private contractors to the inmates providing the services, which also resulted in more job opportunities for inmates. Mr. Patterson expressed concern about cutting ongoing funding that would result in long term consequences, such as closing facilities. Mr. Haddon noted that there would be difficulty in the reductions for FY 2010 because those funds may already be gone. The Department would like to delay reductions in ongoing funding as long as possible with the hope that the budget will improve. The use of nonlapsing authority was discussed as a way to ease the negative impact of ongoing reductions. Mr. Patterson expressed that the Department needs to be given the flexibility. The use of furloughs was discussed.

Courts

Dan Becker, State Court Administrator, distributed a handout to the committee that reviews the Judicial Branch FY 2010 reductions. Personnel were reduced by 65.5 FTE positions, with 18 positions retained through one time backfill funds. The total budget reduction was \$5,547,300. Actions taken to reduce spending and improve performance were outlined in further detail. Electronic capabilities have provided cost savings. Questions from the committee were addressed. Additional actions for reducing the FY 2010 budget include reinstating the hiring freeze, further reducing expenses, reverting some funds from restricted accounts to the general fund, and implementing furloughs. The Judicial Council will be looking at additional reorganization and restructuring proposals to prepare for continued budget restrictions. Additional questions from the committee were addressed.

Department of Public Safety

Lance Davenport, Commissioner, and Joe Brown, Finance Director, provided the committee with handouts that outline the reductions made by the Department for FY 2010. Reductions have been made through leaving vacant positions open, the sale of an aircraft, and general expense reductions. The concealed firearms permit program has brought in additional funding. The use of nonlapsing funds has provided flexibility to deal with reductions. Questions from the committee were addressed. Clarification of the budget pages was provided by Mr. Brown. The Department's success has come through people stepping up in tough times. The first priority has been to reduce expenditures where possible without reducing service to the public.

Rep. Greenwood commended the Commissioner for his work. The number of FTEs has remained about even, some positions were not filled when vacated, but others were added. Changes the legislature made in Drivers License requirements have resulted in some longer wait times. Rep. Hutchings requested more information on wait times be provided to the committee.

Board of Pardons and Parole

Curtis Garner, Chairman, and Clark Harms, Vice-Chairman, discussed the reductions for FY 2010. Personnel have been reduced by 1.2 FTE positions. Nonlapsing funds have been used to hire a part time hearing officer to keep up with the workload. The 4% reductions will come from nonlapsing funds. Future cuts would have to be in personnel which would cut services. Rep. Hutchings requested that the Board provide FTE job descriptions and responsibilities to the committee.

Attorney General

Kirk Torgensen, Chief Deputy, Warner Haidenthaller, Budget Director, and John Swallow, Chief Deputy, addressed the committee concerning two handouts that outline funding sources and budget cuts. Mr. Torgensen expressed concern that the ability to prosecute will be affected and result in long term consequences. Grant money has been used to keep some critical areas going. Funds are brought back into the state through the Attorney General Office's work. Mr. Swallow discussed where future reductions would be taken. He noted that nonlapsing authority was not given in FY 2010.

Governor

Sandy Naegle, Fiscal Manager, assisted by Dave Walsh, Division of Juvenile Justice, discussed the budget reductions for the Governor's Office and how those have been accomplished. Most of the reductions have been in administration and they will try to avoid the need for furloughs.

Ron Gordon, Executive Director, Commission on Criminal and Juvenile Justice, discussed how the use of restricted funds has helped the budget.

Treasurer

Richard Ellis, State Treasurer, stated that they had one person retire. Not filling that position will account for the needed budget reduction. Electronic capabilities have saved money, but not all rural communities are electronically capable.

Auditor

Auston Johnson, State Auditor, and Joe Christensen, Deputy State Auditor, discussed their previous budget cuts in personnel and the effects that has had on the office. Nonlapsing authority

was requested. Questions about auditing stimulus money were addressed.

MOTION: Pres. Waddoups moved to recess the meeting until 2:00 p.m. The motion was approved unanimously with Rep. Aagard, Rep. Mascaro, and Rep. Seelig absent for the vote.

Sen Greiner recessed the meeting at 12:05 p.m.

Sen. Greiner reconvened the meeting at 2:30 p.m.

MOTION: Rep. Aagard moved to approve the minutes of Feb. 12, 2009. The motion was approved unanimously with Pres. Waddoups, Rep. Mascaro, and Rep Seelig absent for the vote.

Rep. Hutchings clarified the committee responsibilities for budget reductions.

Division of Juvenile Justice

Dan Maldonado, Director, and Rick Platt, Administrative Services, provided handouts to the committee that outlined the general fund reductions and the additional 4% requested reductions. In the past year, fifty-nine FTE positions were cut, but some employees were able to move to other positions. Public safety has to be maintained while looking at budget reductions. The proposed reductions for FY 2010 will not translate into good ongoing cuts. The Division appreciates flexibility in being able to control where the reductions are taken. Questions concerning matching funding and FTE reductions were addressed. The 4% reduction proposals and the impact of those reductions were discussed. Mr. Platt reiterated that the proposed reductions for FY 2010 would not work for FY 2011.

Governor's Budget Recommendations

John Nixon, Budget Director, Governor's Office of Planning and Budget, and Dave Walsh, Analyst, Governor's Office of Planning and Budget, reviewed the "FY 2011 Budget Overview" handout from the Governor's Office. Mr. Nixon highlighted the overall budget shortfall and the budget gap solutions that they have proposed for FY 2010. The budget recommendations for FY 2011 were outlined. The Governor's budget priorities were to protect and maintain public and higher education, not exasperate the structural balance, leave a healthy reserve, and not raise taxes.

Dave Walsh went into more budget detail for the areas that pertain to the subcommittee.

Base Budget Bill

Gary Syphus stated that the base budget bill will be a straight 2% reduction of the FY 2010 budget and will be available later.

FY 2010 and FY 2011 Budget Recommendations

Gary Syphus introduced the final two pages of the analyst handouts. The proposed reductions are not given in any order of priority. He stated these recommendations were based on public safety and avoiding litigation. The reductions are 4% for each agency except for the Board of Pardons and Guardian ad Litem.

Steve Jardine, Fiscal Analyst, spoke about the reductions for Juvenile Justice Services with the goal to minimize impact. The reduction in personnel and use of nonlapsing funds was discussed, along with the recommendation to not pay overtime and to extend the hiring freeze. Questions about grant money were discussed.

Gary Syphus continued the discussion on the remaining agency reductions. A discussion ensued about liquor law enforcement funding and responsibility.

Steve Allred discussed the reductions for the Executive Offices.

Sen. Greiner requested that the committee members review the information discussed so that recommendations can be prepared at the next meeting.

Department representatives were given the opportunity to respond to the budget reduction recommendations.

MOTION: Rep Wiley moved to adjourn the meeting. The motion passed unanimously with Pres. Waddoups, Rep. Greenwood, Rep. Mascaro, and Rep Seelig absent for the vote.

Rep. Greiner adjourned the meeting at 4:30 p.m.

Sen. Jon J. Greiner, Co-Chair

Rep. Eric K. Hutchings, Co-Chair